

<https://www.wealthmanagement.com/industry/merrill-eyes-digital-marketing-fuel-organic-advisor-growth>



Merrill Bank of America sign

Rob Kim/Getty Images Entertainment/Getty Images

NEWS>INDUSTRY

Merrill Eyes Digital Marketing to Fuel Organic Advisor Growth

Bank of America's wealth unit posted record profits, financial planning revenue and bank loans, even as the markets tumble.

Rob Burgess | Oct 18, 2022

As Bank of America announced third-quarter earnings this week, the president of its wealth management unit said the group will increasingly look to digital channels to gain clients in the future.

"Despite turbulent markets, Bank of America's wealth management businesses delivered record third-quarter results by multiple measures," said Andy Sieg, president of Merrill Wealth Management, on Monday.

The unit, which includes Merrill and Bank of America's Private Bank, recorded \$5.4 billion in revenue, or 2% year-over-year growth. Earnings, before taxes and provisions for loan defaults, hit a record of \$1.6 billion, 3%

higher than last year, representing a 29% margin for the wealth management business.

The net investment income (NII) for the third quarter was also a record at \$2 billion, a 36% increase from this time last year.

The report listed \$3.7 trillion in client balances across the wealth continuum and \$186 billion in client flows over the past 12 months. Of that, \$436 billion in client balances were in consumer investment, \$2.7 trillion was in Merrill Wealth Management and \$538 billion in the private bank.

The report also listed a 48% increase in financial planning reports completed for clients in the third quarter compared to a year ago, and Merrill recorded \$225 billion in loans, 11% more than last year.

“The banking capabilities and success differentiates our platform,” Bank of America CEO Brian Moynihan said of Merrill's business during the earnings call with analysts.

Around 5,725 net new client relationships were recorded in the third quarter. Merrill Wealth Management accounts for nearly 5,200 net new households, up 23% year-over-year, bringing year-to-date net new household acquisitions to nearly 17,000. The wealth unit grew advisor headcount by 400 during the quarter to 18,841, including trainees.

Looking forward to Q4, Sieg specifically pointed to Merrill Advisor Match, its new research-based digital platform for connecting investors seeking financial advice with a financial advisor.

“This digital tool is helping connect people with Merrill advisors through an intuitive online questionnaire and which feeds an algorithm and generates advisor matches. It is a first-of-its-kind offering. We think it has the potential which will expand the reach of financial advice within several client segments,” said Sieg.

Sieg said it would also continue to invest in its financial planning tool, Personal Wealth Analysis (PWA).

“Next month, we’ll introduce PWA enhancements, including a more flexible interface to help advisors model scenarios for clients and to deliver an executive summary,” Sieg said.

In response to a follow-up question, Sieg said since Merrill Advisor Match launched only a few weeks ago, it was “just too early to have quantitative data that’s meaningful in terms of leads and ultimately the number of successful matches that happen.”

"We're very confident that this is a solution that's hitting the mark," said Sieg.

He said they were particularly excited about the Match tool because they saw it as a way to connect with potential clients who may otherwise be out of reach.

"One of the reasons that it is resonating so strongly, this is designed to make it easy for someone that may not, in their personal network, have access to financial advisors," he said. "So, think diverse communities where wealth creation, in some cases, is happening for the first time in this family's history. That is a very clear need in the market that these people need help navigating to advisors that can assist them, particularly in times like this one."

Sieg said they were seeing "a lot of excitement" among advisors, with over 5,000 advisors having uploaded their profiles to be a part of the program. The report listed around 5,500 advisors currently enrolled.

"Just since launch, that number has further increased. So, we like what we see in terms of the early momentum. Of course, we'll be reporting back," said Sieg. "There's advertising out today, print, online and social and you'll see the dial on that turn up on that as well over the weeks and months to come."